

1 March 1976

MEMORANDUM FOR: Director

FROM : National Intelligence Officer
for USSR-EE

SUBJECT : Improvements in National Estimating:
A Suggestion

1. Herewith a specific response to your invitation to suggest improvements in the process of producing national intelligence.

2. On the estimative side, the NIO system emphasizes the participation of specialists, whereas the former Board of National Estimates system emphasized the role of generalists. If the NIO system is retained in some form, we ought to try for a better balance between the two.

3. One way to do this would be to set up a Review Panel of non-specialists for individual estimates. This Panel -- three to five people -- would read the draft at an early stage and comment upon its organization, its coherence, its success at defining the right questions, its success in answering them. It would then be up to the NIO, the chairman of the paper, and the drafter to consider these reactions and make appropriate changes.

4. Different Review Panels should be recruited for different estimates. Otherwise -- if this kind of review becomes someone's fulltime job -- he goes stale. The task is essentially critical; it is not creative enough to attract and hold top-flight people.

5. Panel members would not be specialists in the subject of the estimate; specialist input would come earlier (in the drafting) and later (in the community review) in the production process. Rather they should be chosen because they were well versed in related fields, offered a different perspective on the subject, or were simply very smart. They would be recruited from various places:

- inside the intelligence community. These people would be the easiest to commandeer in some respects, the most experienced.
- in the policymaking departments. These would be harder to get, but their input -- particularly on the matter of the draft's policy relevance -- would be unique and important. One would have to depend upon the integrity of the producers to keep the assessment from being distorted by the policy preferences of these men.
- non-governmental analysts. Our experience with such types has been erratic; carefully chosen, they can be quite useful. It would be complicated, however, to schedule their input into an estimative process that is often conducted on short notice.

6. If we went down this road, we would have to keep flexible, recognizing that each piece of national estimating has peculiarities calling for a particular input from any Review Panel. A wide-ranging estimate with a long lead time could accommodate, and profit from, careful and lengthy review (or reviews) involving outsiders as well as insiders. A highly focussed and time-urgent SNIE would probably get only half a day, in which the reviewers assembled quickly, read the draft, and immediately discussed their reactions with the NIO and drafter. We might decide that some papers would not benefit enough from this kind of outside review to make it worth while. Thus any "system" set up along these lines should have maximum flexibility, and in general, the less system the better.

NIOS

Get the benefits of

- Agency "reach"
- Community "out reach"
- Ability to assemble resources
- Ability to tap consumer needs, reactions, sense trends
- Ability to give "sense of direction" to substantive effort.

Avoid

- Day-to-day intervention re analytical resources
- Supervisory aura that detracts from responsibilities of line officers.

Recommendation: NIOS should be Community Regional Intelligence Officers--very active, with strong substantive interests to command respect inside and outside Community. Not so many; a group with a chairman. They should be located as part of IC Staff, replacing present Product Review Group.

They should not have direct responsibility for the estimative function.

EstimatesEither

Re-create Board of Estimates, but keep Board itself small--no more than 9 people, 1/3 full-time recruited from outside the Community, 1/3 full-time from within the Community (DIA, State, etc.) serving on rotation, 1/3 part-time, rotational, drawn from among DDI/DDO/-DDS&T office chiefs (maybe one each of these).

Attach directly to DCI--his board. Staff should be Office of Estimates in DDI and similar in other agencies; director of this ^{office} office reporting to DDI, and having his drafting program developed by board, CRIOS and DDI in concert.

Or

Create an A/DDI/E, who presides over an Estimates Staff composed of individuals from background as previous Board but at slightly lower level of eminence who draft as well as think. Products of this staff, which tasked through DDI from CRIOs, D/DCI/IC and DCI, reviewed by DDI in concert with A/DDI/E and comparable officers in other agencies. Thus, DDI is in effect chairman of an estimates "board."

Membership of staff drawn, by rotational assignment, from intelligence and foreign affairs community at large--interagency mix essential.

Current Intelligence

Office of National Current Intelligence. Remains a CIA function, but acting as agents of the Community, with strong interagency flavor to staff; rotation both directions with DIA and INR, and to ONCI from NSA and DDO--and not just at analytical but at editorial board and deputy division--or even division chief--level. Coordination in substance on all publications with obligation to present differing views (maybe an RAD with military officer seconded from Pentagon as chief--certainly as deputy).

Close and continuing relationship between CRIOs and ONCI division chiefs, and between D/ONCI and chief of CRIOs.

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15 March 1976

MEMORANDUM FOR: O/DDI -- Dick Lehman

SUBJECT : NIE Process and the NIO System

1. Our comments to the Director Thursday morning, the 11th, on the NIE and NIO questions seemed to me incoherent. In any case, it was incoherent to me, and this is an attempt to clarify my thoughts.

2. Strengths and weaknesses can be identified in both systems. I believe a new arrangement could be made that would combine the strengths of the two and minimize the weaknesses. Without going into detail, I see the scorecard as follows:

OFFICE OF NATIONAL ESTIMATES (ONE)

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1. Widely recognized, highly regarded product -- the NIE.
2. A regularized central coordinating function.
3. A high-level, substantive review mechanism.
4. Superior staff.

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1. Increasingly ingrown, intellectually and organizationally; this applies to both Board and Staff.
2. Inability to adjust to new demands, requirements and operating methods.
3. Lack of contact with policymaking community -- some considered such contact potentially corrupting of the estimating function.
4. Growing reputation, with justification, of "Ivory Towerism".
5. Bureaucratic opposition within CIA and the Community.

NATIONAL INTELLIGENCE OFFICERS (NIO's)

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1. Established with high status as the "alter ego" of the DCI.
2. Contact with policymaking community at appropriately high levels encouraged.

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1. Uneven quality of NIO's, each in business for himself. NIO's have first call on intelligence production resources, but no responsibilities for justifying them or managing them.

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NATIONAL INTELLIGENCE OFFICERS (NIO's) [Cont'd]

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3. Brought some analysts closer to the action, giving them a new sense of participation in important matters.
4. At the time the NIO system was established it was reasonably clear that the ONE system needed change.
2. Opposition of line management -- Directorate and Office level especially -- as NIO's cut across organizational lines taking production authority from the producers and their managers.
3. Uneven quality of the intelligence product -- some of it quite weak. Too many NIO papers are produced ad hoc but end up in print with NIE status.
4. Lack of adequate, broadly experienced, and knowledgeable review body and a regularized review procedure.
5. Lots of high-priced help, much of which was drawn from the production unit resources (same for the IC Staff).

3. The NIE system was abolished because it was unable to adjust. The NIO system is a distinctly Colby creation intended to be his "alter ego" on substantive and operational matters. He had little confidence in upper- and middle-line management and wanted a system to bypass it. I believe his view of line management had changed by the time he left. Also, he had a very unclear understanding of the research and analysis side of the Agency or of how finished intelligence is created.

4. I believe the NIO system should be abolished for the reasons above and to mark a clear departure from as many as possible of the minuses of the system. A possible approach would be to create a National Intelligence Review Group (some better name could probably be found) of about 12 high-level, senior individuals of widely recognized achievement and experience in the international field. At least 8 of those 12 should be drawn from outside the Intelligence Community, and many of those from outside Government. Two or three of the present NIO's might qualify as members of the National Intelligence Review Group (NIRG). The function of the Group would be to review and to coordinate NIE's and to serve as a contact point between the Intelligence Community and the Policy Community. The Group should be served by a small staff in the GS-12 to 13 levels as research aides, legmen, and to prepare materials for the printer. The Group should have close relations on NIE and national intelligence customer relations matters with the DCI.

5. I see no need for NIO's for operational matters.

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6. Under this system, drafting of NIE's should be done in the production shops, as is now the case. The DDI would establish quality control mechanisms he feels necessary. The Review Group would review and conduct the community coordination process. The line of communication between production offices and the Review Group would be through whatever system the DDI established to serve the requirements of the Review Group.

7. A first assignment, prior to or concurrent with the establishment of the Review Group, should be an all-systems review of the NIE process, the needs for and purposes of the NIE, and of what matters are and what are not appropriate to NIE treatment.

8. And finally: If the NIE is to be the highest ranking and most prestigious national intelligence publication, it should look better, feel better, and read better than the current ones do. From the point of view of design, impact, and class, it has become a shabby publication.


JOHN KERRY KING
Director

Geographic and Cartographic Research

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PROPOSED REORGANIZATION OF THE PRODUCTION OFFICES

- FACTS:
1. The notion of a geographic, rather than functional, organization of CIA intelligence production offices has been discussed often but never tried.
 2. We have considerable evidence (e.g., Leo Cherne/ DCI Correspondence, OTR Study of Jan. 1976) that more cross-disciplinary analysis is desired by consumers.

THESIS: Geographic organization should be tried now.

ADVANTAGES:

Encourage inter-disciplinary analysis.

Better basic organization for forming temporary task forces.

Provide opportunities for most talented analysts and analyst-supervisors, whether or not the talent is divided in proportion to the number of functional specialists.

Eliminate duplications of production staffs, editorial reviews.

Reduce proliferation of types of publications and shift emphasis to publishing: (1) Agency and (2) intelligence documents, instead of scientific, economic, or military documents.

Relate allocation of production resources to intelligence subjects rather than analytical specialties.

Force a rethinking of the need for every currently existing position.

Fresh chain of command for all, providing new opportunities for those who may have potential unrecognized by current supervisors.

DISADVANTAGES:

Substantial discomfort. Most people don't like sweeping changes, and some employees will feel severely threatened by it.

Probably some initial (and temporary) reduction of output while changes are being effected.

SUGGESTED ORGANIZATION - MAJOR COMPONENTS

O/DDI — Management and Executive Staffs
Production Staff
Central Reference Service (ex. Info. Services Group)

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Imagery Analysis Service
Cartography Service (ex. Geography Division)
Experimental Analysis Service -- to include CDAM of ORD

Office of:

*Soviet/East European Affairs
European Affairs
Western Hemisphere Affairs
Asian Affairs
Near East/African Affairs

Drawn from:

OCI, OER, OPR, OSR,
CRS - Info. Services Group,
OGCR - Geography Division,
OSI, OWI, Life Sciences
Division of ORD

REMOVED FROM DIRECTORATE:

Operations Center to O/DDCI

COMIREX to IC or S&T

Collection Guidance and
Assessment Staff to O/DDCI (?)

*Probably would need specialized military components. Others probably do not; they need military specialists in the branches.

PRODUCING NATIONAL INTELLIGENCE

The "NIO SYSTEM"

- Prime Strengths — Publicity expressed confidence of DCI;
Careful selection of top personnel.
- Emphasis on Community-wide and Agency-wide contacts.
- Role in requirements, collection, etc.
- Basic Weaknesses — Analysts lack responsibility for (and pride in)
final product. Directorate and component managers do not "value" it as highly as their "own" products.
- Regular, routine duties compete for attention of drafters.
- Problems approached by narrow specialists and by the same experts who do the component publications. Scope is too often single-discipline and small-region. Few challenges to conventional wisdom.

THE "ONE SYSTEM"

- Prime Strengths — Analyst/author concern for product from beginning to end.
- Competitive views challenging the conventional wisdom of other components.
- Cross-disciplinary, world-view analysis. Collective approach minimizing one-person dictation of conclusions.
- Basic Weaknesses -- Lack of special DCI concern or imprimatur.
- Too Agency-centered.
- Too production-centered.
- Too formalized.

A PROPOSAL - THE "OFFICE OF NATIONAL INTELLIGENCE"

SIZE: 75-85 including 8-10 NIO's, plus staffs of 3-6 each and necessary clerical and production staff support.

PERSONNEL: Largely CIA but drawn also from Community at large. No more than 2/3 of the Agency professionals from DDI. All initial appointments on 1-year trial -- taken seriously. Normal full tour -- 3 years.

SUBORDINATION: Part of CIA, reporting to DCI on Community matters and new DDCI on Agency ones. Responsibility vested in CIA more clearly than ever by Executive Order. Must have all resources of Agency rapidly and easily at hand. Must not be subordinate to any Directorate.

PROCEDURES: ONI staffers to draft most, but not all, papers and follow them through to completion. Other drafters (CIA and other) move temporarily to ONI, devote full time and attention to the job, become temporary members of ONI team, and submit drafts to NIO, not through parent channels.

All terms of reference and drafts referred to each NIO for review by each Staff. ONI review of draft for Community coordination to include (inter alia) detailed joint review by at least 3 NIO's or their delegates.

ONI to continue all non-production activities now under NIO purview.

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TO	NAME AND ADDRESS	DATE	INITIALS
1	Director of Central Intelligence		
2			
3			
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6			

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

You asked for reorganization suggestions from anyone with ideas. Here are two from Helene Boatner, who has had experience in the DDI (OER) and ONE and has been detailed twice to the NIO for special assignments.

✓ cc: Richard Lehman (w/attachments)

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.

DATE

John D. Iams, Comptroller

2 MAR 1976

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FORM NO.
1-67

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Use previous editions

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MEMORANDUM FOR: [REDACTED]
Special Asst. to DCI

Attached is another input to the "what to do about national intelligence" problem. It was sent to me by [REDACTED] as you may recall, was the last head of ONE (during the months between [REDACTED] retirement and abolition of ONE) and the first head of OPR. Between retirement and moving to Santa Fe, he headed the OTR-sponsored team that did the study on "CIA Intelligence Support for Foreign and National Security Policy Making." This one is for you to pass on to the DCI if you think he'd be interested. I am sending a copy to Dick Lehman. ✓

(DATE)

Helene Boatner--15 Mar76

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REORGANIZING TO IMPROVE NATIONAL INTELLIGENCE

Recent Congressional cavortings aside, it is a fact that the performance of CIA and the Intelligence Community in the preparation of National Intelligence has been extremely uneven during the past few years. Improvement is both possible and necessary; it must stem principally from organizational change. For only if there is a more potent and skillful directing body can National Intelligence become more responsive to the needs of key policy makers, more supportive of their difficult tasks, and more anticipatory of emerging problems which they will have to face in the future.

A new Office for the Production of National Intelligence should be established, absorbing the effective practitioners among present National Intelligence Officers and taking on certain functions now sketchily handled by the Intelligence Community Staff (which should be appropriately reduced in size). This new office should be headed by a distinguished expert on international affairs who would report directly to the DCI and, at the same time, maintain close working relationships with the various intelligence production shops in the Community. The office itself would be relatively small but would command the best talent obtainable.

Responsibilities would include:

1. Preparation of National Intelligence Estimates of high quality and perceptiveness;
2. Intimate contact with policy makers and the provision of National Intelligence relevant to their concerns;
3. Looking ahead, independently, so as to identify and focus attention upon new international problems before they have fully emerged;
4. Regular review of the intelligence products of Community elements and the selection of the best for special attention by policy makers; periodic advice to the DCI on enhancing performance, eliminating duplication, etc..

The main components of the new office would be:

1. Its director and a senior advisory panel of 8 or 10 distinguished intelligence figures who would take the lead in assuring the quality of National Estimates, exercising the independent anticipatory role, and overseeing the process of broad review;
2. A liaison staff of perhaps a dozen who would keep up regular, frequent contact with policy makers, making sure that National Intelligence was effectively transmitted -- and responsive as well as responsible;
3. A permanent substantive staff of 20 or 25 middle-grade intelligence officers, most of whom would be area specialists, and all of whom would be selected for perceptiveness of mind, for drafting talents, and for a bent toward predictive intelligence;
4. A changing cadre of highly specialized experts, seconded from other production offices in the Community for such periods as required to prepare particular National Intelligence Estimates or to carry through other projects of outstanding importance.

An office thus designed would be small enough to hold bureaucratic problems to a minimum so as to devote all its energies to the challenging assignments it would face. It would have the strength to do a superior job -- not only through the prowess and imagination of its own people, but also through its ability to call upon the very best resources available anywhere in the Intelligence Community.

It could, I am convinced, do much to overcome some of the most glaring weaknesses in present intelligence performance.

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